

**CITY OF SANTA FE, NEW MEXICO**

**BILL NO. 2015-40**

**INTRODUCED BY:**

Mayor Javier Gonzales

**AN ORDINANCE**

**AUTHORIZING THE LEASE OF 29,490 SQUARE FEET OF REAL PROPERTY LOCATED WITHIN A PORTION OF THE NORTHWEST QUADRANT ADJACENT TO 786 CALLE MEJIA AS SHOWN AND DELINEATED ON A SURVEY ENTITLED, "PARKING LEASE PARCEL EXHIBIT" PREPARED BY RICK CHATROOP, N.M.P.S. NO. 110011, LYING WITHIN PROJECTED SECTION 14, T17N, R9E, N.M.P.M., IN THE CITY AND COUNTY OF SANTA FE, NEW MEXICO.**

**BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF SANTA FE:**

**Section 1.** The attached Exhibit A, "Lease Agreement between the City of Santa Fe and Santa Fe Health Club, LLC", for real property lying and being situated within the City and County of Santa Fe, New Mexico, is approved subject to the conditions set forth in Section 2 below. The real property is more particularly described as follows:

A portion of the northwest quadrant adjacent to 786 Calle Mejia as shown and delineated on a survey entitled, "Parking Lease Parcel Exhibit" prepared by Rick Chatroop, N.M.P.S. No. 110011, lying within projected Section 14, T17N, R9E, N.M.P.M., in the City and County of Santa Fe, New

1 Mexico.

2           **Section 2.**       The lease of the real property is approved subject to the provisions as  
3 provided in Exhibit A.

4           **Section 3.**       The appraised value of the real property is \$120,000.

5           **Section 4.**       The manner of rent payment to Lessor shall be cash. The time of payment of  
6 rent shall be as provided in Exhibit A.


7           **Section 5.**       The annual rent for the real property is \$12,000.

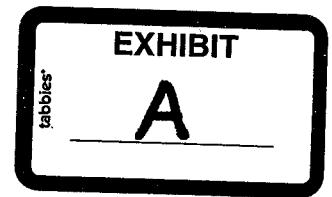
8           **Section 6.**       The Lessee of the real property is Santa Fe Health Club, LLC.

9           **Section 7.**       The purpose of the lease of the real property is for parking purposes for the  
10 Lessee and for the generation of revenue for the municipality.

11           **Section 8.**       This ordinance shall become effective forty-five (45) days after its adoption,  
12 unless a referendum election is held pursuant to Article 3-54-1 NMSA 1978.

13  
14 APPROVED AS TO FORM:

15   
16 \_\_\_\_\_  
17 KELLEY A. BRENNAN, CITY ATTORNEY



**LEASE AGREEMENT  
BETWEEN  
THE CITY OF SANTA FE AND SANTA FE HEALTH CLUB, LLC**

This LEASE AGREEMENT (the Lease Agreement) is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2016, by and between the CITY OF SANTA FE, a municipal corporation (Lessor) and SANTA FE HEALTH CLUB LLC, a New Mexico limited liability company (Lessee), (collectively, the Parties and each individually a Party). This Lease Agreement supersedes in its entirety the previous Lease Agreement between the Lessor and the Lessee's predecessors in interest dated August 9, 1990 (the Previous Lease Agreement) assigned and assumed by the Lessee on November 24, 2010 as City of Santa Fe Item #10-1221.

**WITNESSETH:**

Lessor leases to Lessee and Lessee leases from Lessor, the real property of the Lessor as described herein on the terms and conditions as hereinafter provided:

**1. PREMISES**

Subject to the terms and conditions of this Lease Agreement, the Lessor allows the Lessee to use and occupy, subject to all of the terms and conditions hereinafter stated, that certain real property located within a portion of the northwest quadrant of the City of Santa Fe adjacent to 786 Calle Mejia (the Premises). The Premises consists of approximately 29,490 square feet of land as more fully described and shown on **Exhibit A** attached hereto and made a part hereof. Lessee accepts the Premises in its present state and agrees that it is in good condition, without any representation or warranty by Lessor as to the condition of the Premises or as to the use, which may be made thereof.

**2. USE OF PREMISES**

Lessor allows the Lessee to use the Premises for the purpose of parking for the employees, patrons, and invitees of the Lessee's adjacent business. No other commercial uses of the Premises are allowed, including but not limited to, the sale or display of merchandise or the installation of advertising signage. Directional and traffic control signage, landscaping, parking area striping, and outdoor lighting related to the allowed use of the premises, properly permitted and installed in conformance with the City of Santa Fe's land development code and adopted building code(s), may be installed within the Premises at the Lessee's expense. Use of the premises shall at all times be in compliance with the City's municipal code.

**3. EFFECTIVE DATE**

The "Effective Date" of this Lease Agreement shall be February 1, 2016.

**4. LEASE TERM**

The "Initial Term" of this Lease Agreement shall be ten (10) years with two (2) "Optional Additional Terms" of five (5) years each for a total "Term" of twenty (20) years, contingent upon compliance with this Lease Agreement and with proper written notice by Lessee to Lessor of Lessee's exercise of any Optional Additional Term(s) at least sixty (60) days prior to the expiration of the Initial Term or any Optional Additional Term. In the event Lessee shall remain in possession of the Premises after the expiration of the Term of this Lease Agreement, such possession may, at the sole option of Lessor, be continued as a month-to-month tenancy. During any such month-to-month tenancy, the rental fee shall be prorated and payable on a monthly basis in advance of the

first day of each month, and the terms and conditions of the Lease Agreement shall be otherwise applicable.

## **5. RENT**

“Rent” shall be paid as follows:

A. Rent during Initial Term. Lessee shall pay Twelve Thousand dollars (\$12,000.00) as annual Rent, due in monthly installments of One Thousand dollars (\$1,000.00) payable on or before the first day of each month without notice or demand and without deduction or offset for any cause whatsoever. Lessee shall make payments to the Lessor’s cashier’s office, Room 114, 200 Lincoln Ave., Santa Fe, NM. Rent during the Initial Term shall be subject to annual increases in accordance with Section 5.C below.

B. Rent during Optional Additional Term(s). The Rent for any Optional Additional Terms of this Lease Agreement shall be negotiated by the Lessor and the Lessee prior to the commencement of such Optional Additional Term. In no case shall the Rent for any Optional Additional Term be less than the Rent during the last year of the previous term plus two and one-half percent (2.5%). Rent during any Optional Additional Term(s) shall be subject to annual increases in accordance with Section 4.C below.

C. Increases in Rent. At the commencement of the second year and every subsequent year of the Initial Term or any Optional Additional Term of this Lease Agreement, the Rent shall be increased by an amount calculated by multiplying the previous year’s Rent by two and one-half percent (2.5%).

## **6. TERMINATION BY LESSOR**

Lessor may terminate this Lease Agreement upon Lessee’s failure to comply with any provisions contained herein. Prior to termination, Lessor shall hand deliver or mail notice to Lessee via certified or registered mail specifying:

- A. the breach;
- B. the action required to cure the breach;
- C. a date, not less than fifteen (15) days from the date the notice is hand delivered or mailed to Lessee, by which such breach must be cured; and
- D. that failure to cure such breach on or before the date specified in the notice will result in termination of the Lease.

## **7. ASSIGNMENT OR SUBLEASE**

Lessee shall not assign, sublease or otherwise transfer this Lease Agreement, without the written consent of the Lessor. Any such actions taken by Lessee shall result in the immediate termination of this Lease Agreement.

## **8. LIABILITY INSURANCE**

Lessee shall carry and maintain in full force and effect during the term of this Lease Agreement, public liability insurance covering bodily injury and property damage, in a form and with an insurance company acceptable to Lessor, with limits of coverage not less than as stated in the New Mexico Torts Claims Act for each person injured and for each accident resulting in damage to property, against all claims and lawsuits arising from the Lessee’s use of the Premises. Lessee shall cause the City of Santa Fe to be named as additional insured on such policy of insurance. Prior to this Lease Agreement taking effect and thereafter throughout the term of this

Lease Agreement, Lessee shall provide Lessor with certificates of insurance evidencing that the coverage required hereunder is current. Such policy shall provide that the coverage evidenced thereby shall not be terminated or modified without thirty (30) days prior written notice to the Lessor for any reason. A certificate or policy which states that failure to give such notice imposes no obligation on the part of the insurer shall be unacceptable to Lessor, and Lessee shall be responsible for removing such language from such certificate or policy.

#### **9. INDEMNIFICATION**

The Lessee shall indemnify, hold harmless and defend the Lessor from all losses, damages, claims or judgments, including payment of all attorney's fees and costs, on account of any suit, judgment, execution, claim, action or demand whatsoever arising from Lessee's use of the premises hereunder, as well as that of any of Lessee's employees, agents, representatives, guests or invitees.

#### **10. REPAIR, MAINTENANCE AND REPLACEMENT**

A. No Waste. Lessee shall not cause or permit any waste, damage or injury to the Premises. Lessee shall, at its sole expense, keep and maintain the Premises in good condition, reasonable wear and tear excepted, and shall be responsible for the cost of all necessary repairs and maintenance that arise during Lessee's use of the Premises, including but not limited to the cost of repair and/or replacement of the existing asphalt and related appurtenances.

B. Litter Clean-up. Lessee shall, at Lessee's expense, collect and properly dispose of litter and debris from the Premises on a weekly basis.

C. Pest Management. Lessee use of the Premises shall at all times remain in compliance with the City of Santa Fe's Integrated Pest Management Policy (§10-7 SFCC 1987) (the Pest Management Policy).

#### **11. ALTERATIONS, ADDITIONS AND IMPROVEMENTS**

Lessee shall make no alteration, addition or improvement to the Premises for the uses described in Section 2 herein without the prior written consent of the Lessor. Any alteration, addition or improvement made by Lessee after such consent has been given shall become the property of the Lessor upon termination of this Lease Agreement. Lessor, at its sole discretion, shall have the right to require Lessee, at Lessee's sole expense, to remove all or a portion of any such alteration, addition or improvement and restore the Premises to the condition existing prior its installation upon the termination of this Lease Agreement.

#### **12. EASEMENTS**

Lessor reserves the exclusive right to grant access, utility or other easements on, under, over, or through the Premises.

#### **13. NOTICE**

Any required notice will be deemed delivered, given and received (i) when personally hand delivered, or (ii) five days after the same are deposited in the United States mail, postage prepaid, registered, addressed to the applicable party at the address indicated below for such party, or at such other address as may be designated by either party in a written notice to the other party:

To Lessor  
City Manager  
City of Santa Fe  
P. O. Box 909, Santa Fe, NM 87504

To Lessee  
Managing Member  
Santa Fe Health Club, LLC  
786 Calle Mejia, Santa Fe, NM 87501

**14. NO WAIVER**

No waiver of a breach of any of the provisions contained in this Lease Agreement shall be construed to be a waiver of any succeeding breach of the same or any other provisions.

**15. SEVERABILITY**

In the event that one or more of the provisions contained in this Lease Agreement or any application thereof shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and any other application thereof shall not in any way be affected or impaired thereby.

**16. ENTIRE AGREEMENT**

The foregoing constitutes the entire Lease Agreement between Lessor and Lessee, represents their entire understanding and defines all of their respective rights, title and interests as well as all of their duties, responsibilities and obligations. Any and all prior Lease Agreements and understandings between the parties are merged herein. This Lease Agreement shall not be modified or amended except by a written document signed by the parties.

**17. BINDING EFFECT**

This Lease Agreement shall be binding upon and insure to the benefit of the Parties hereto and their respective successors and permitted assigns.

**18. LITIGATION EXPENSE**

In the event of litigation between the Parties, the Lessee shall pay any necessary costs, including reasonable attorney's fees, expenses and other costs of collection or otherwise, which the Lessor shall incur in enforcing this Lease or in recovering any and all damages caused to the Premises by Lessee, or Lessee's agents, employees or permitted assigns.




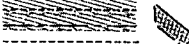
**19. RECORDING**

This Lease Agreement shall be recorded in its entirety. Lessee shall bear all costs for recording of the Lease Agreement and any other associated costs.

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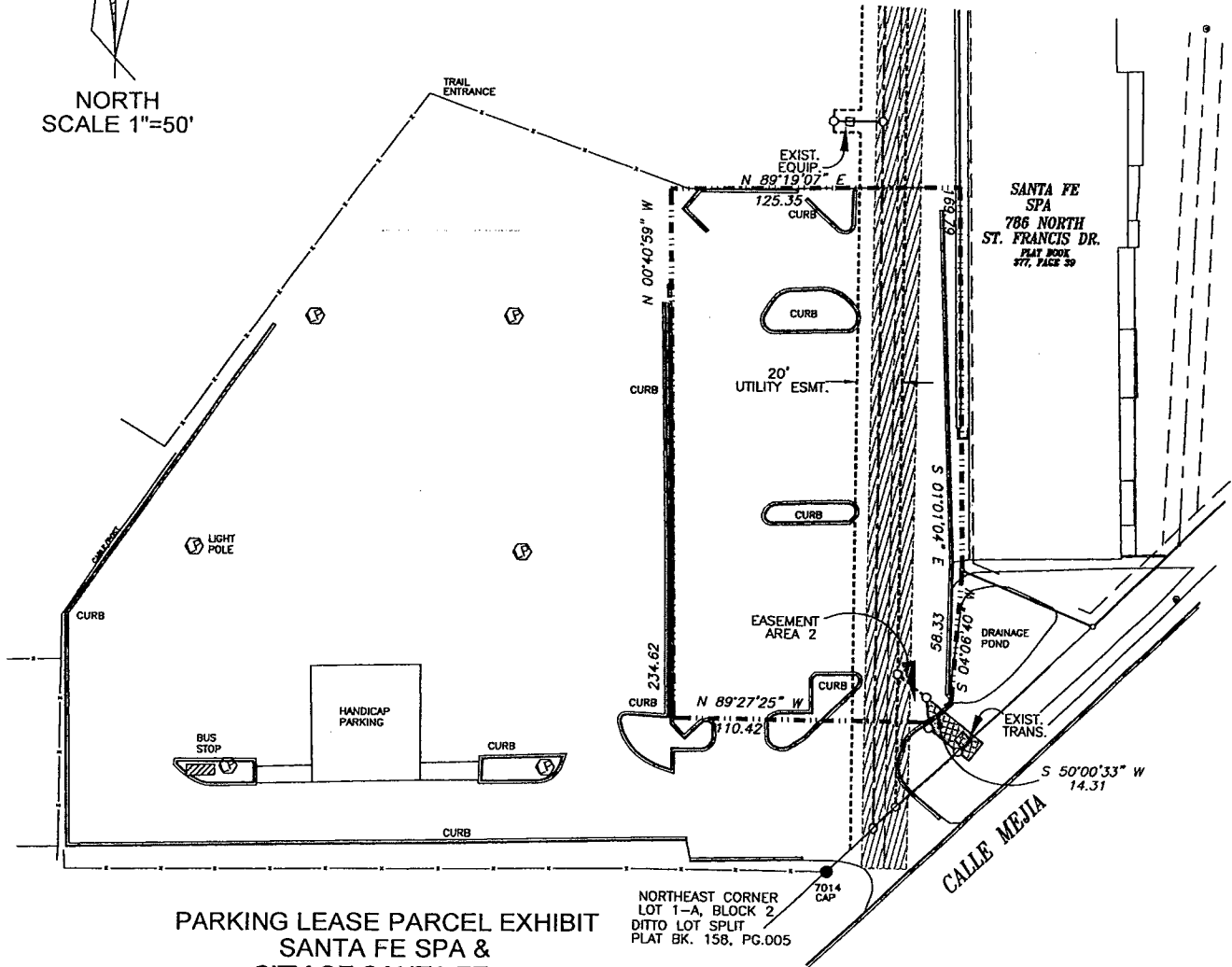
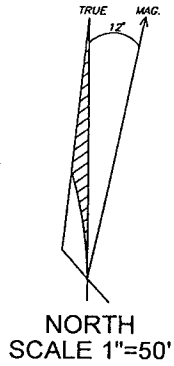


# LEGEND

- DENOTES POINT FOUND
- DENOTES POINT CALCULATED
- △ AS NOTED
- DENOTES EDGE OF EASEMENT
- DENOTES EASEMENT CENTERLINE
-  DENOTES EASEMENT ARCHULETA NMPLS#4249 DATED 11-23-81, DRAWING# 81-176
-  DENOTES EASEMENT LOCKMAN NMPLS#18331 DATED 5-16-12, DRAWING# BH#2012331.028
-  DENOTES SPA PARKING LEASE AREA 29,490 SQ.FT.±
-  DENOTES AREAS OF CURRENT AND FORMER PNM EASEMENTS WITHIN SPA PARKING PARCEL AREA 6,319 SQ.FT.±

# NOTES

1. PARKING PARCEL LIES WITHIN A PORTION OF NORTHWEST QUADRANT TRACT F AS RECORDED IN PLAT BOOK 169, PGS. 17-26 OFFICE OF THE SANTA FE COUNTY CLERK.
2. SANTA FE SPA PARCEL RECORDED IN PLAT BOOK 777, PG. 39 OFFICE OF THE SANTA FE COUNTY CLERK.



**PARKING LEASE PARCEL EXHIBIT  
SANTA FE SPA &  
CITY OF SANTA FE**

LYING WITHIN PROJECTED SECTION 14, T.17N.,R.9E., N.M.P.M., THE CITY AND COUNTY OF SANTA FE, NEW MEXICO.

<p align="center"><b>RICK CHATROOP</b>  <b>PROFESSIONAL LAND SURVEYOR</b>  <b>NEW MEXICO REGISTRATION NO. 11011</b>  <b>(505) 470-0037 110 WAGON TRAIL RD. CERRILLOS, NM. 87010</b></p>	
<p>REFERENCE: SANTA FE SPA          LOCATION:</p>	<p>LYING WITHIN PROJECTED SECTION 14, T.17N.,R.9E., N.M.P.M.,          CITY AND COUNTY OF SANTA FE</p>

